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January 21, 2004

Via Electronic Filing

Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W., Room TW-B204 Washington, DC 20554

Re: Notice of *Ex Parte* Presentation: CC Docket No. 01-92; WC Docket No. 02-361.

Dear Ms. Dortch:

Yesterday, January 20, 2004, Robert Quinn and I met with Christopher Libertelli, Senior Legal Advisor to Chairman Michael K. Powell to discuss issues related to the aforementioned proceedings. During the course of those discussions, we explained AT&T's plans for IP telephony and urged the Commission not to impose the existing PSTN access charge scheme on VoIP as those regulations would be a disincentive to investment in this important new technology. During that discussion, we explained that issues related to universal service and access charge contribution to ILEC profits were better addressed holistically in the intercarrier reform proceeding rather than to import the competition distorting access charge regime into this new technology. We explained that the Commission's failure to act in a timely manner in that proceeding (which has been pending nearly three years) was placing undue pressure on the Commission to act in a very regulatory manner towards VoIP traffic. We also explained that the Commission must not provide disincentives to backbone providers that will deter them from the process of upgrading and investing to expand their IP capabilities. That investment will be necessary for the industry to provide a seamless conversion to an IP-based infrastructure that is transparent to end-users.

We urged the Commission to continue the de-regulatory policies that were established in 1998 and reaffirmed in the 2001 in the Commission's Inter Carrier Compensation NPRM. We reiterated the view that imposition of access charges on VoIP would be a disincentive for investment by backbone providers in IP architectures and thus slow investment in this key technology area (contrary to prior Commission policy). Finally we explained that providers of IP based services were, in fact, compensating all LECs for terminating that traffic pursuant to the interconnection provisions of the Act. Consequently, all LECs were recovering their respective costs plus a reasonable profit for terminating that traffic and that any claim that a carrier was not recovering its costs was an outright fabrication.

The positions expressed in the meeting for each of these areas were consistent with those contained in the Comments, Reply Comments and ex parte filings previously made in the aforementioned dockets.

Consistent with the Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the proceedings.

Sincerely,

Cata H. Mail

cc: Christopher Libertelli